



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities; Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Registration Statement for Persons Who Extend Credit Secured by Margin Stock (Other Than Banks, Brokers, or Dealers) (FR G-1), the Deregistration Statement for Persons Registered Pursuant to Regulation U (FR G-2), and the Annual Report (FR G-4), and to extend for three years, without revision, the Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U (FR G-3), the Statement of Purpose for an Extension of Credit by a Creditor (FR T-4), and the Statement of Purpose for an Extension of Credit Secured by Margin Stock (FR U-1). These six data collections are collectively known as the Margin Credit Reports. The revisions will be applicable as of July 1, 2018, instead of April 1, 2018, as proposed.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551. OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to

approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority of the extension for three years, with revision, of the FR G-1, FR G-2, and FR G-4 reports, as well as extension for three years, without revision, of the FR G-3, FR T-4, and FR U-1:

1. Report title: Registration Statement for Persons Who Extend Credit Secured by Margin Stock (Other Than Banks, Brokers, or Dealers); Deregistration Statement for Persons Registered Pursuant to Regulation U; Annual Report.

Agency form number: FR G-1; FR G-2; FR G-4.

OMB control number: 7100-0011.

Effective Date: July 1, 2018.

Frequency: FR G-1 and FR G-2, On occasion; FR G-4, annually.

Estimated number of respondents: 89.

Estimated average hours per response: FR G-1, 2.5; FR G-2, 0.25; FR G-4, 2.

Estimated annual burden hours: 160.

General Description of Report: The registration statement (FR G-1) is required to enable the Federal Reserve to identify nonbank lenders subject to the Board's Regulation U, to verify

compliance with the regulation, and to monitor margin credit. In addition, registered nonbank lenders can be subject to periodic review by the Board, the National Credit Union Administration, and the Farm Credit Administration.

The deregistration statement (FR G-2) is used by nonbank lenders to terminate its registration if their margin credit activities no longer exceed the regulatory threshold found in Regulation U. Under section 221.3(b)(2) of Regulation U, a registered nonbank lender may apply to terminate its registration if the lender has not, during the preceding six calendar months, had more than \$200,000 of such credit outstanding.

The information submitted on the annual report (FR G-4) is required pursuant to Regulation U to enable the Federal Reserve to monitor the amount of credit extended by nonbank lenders that is secured by margin stock.

2. Report title: Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U; Statement of Purpose for an Extension of Credit by a Creditor; Statement of Purpose for an Extension of Credit Secured by Margin Stock.

Agency form number: FR G-3; FR T-4; FR U-1.

OMB control number: 7100-0018; 7100-0019; 7100-0115.

Effective Date: July 1, 2018.

Frequency: On occasion.

Estimated number of respondents: FR G-3, 6; FR T-4, 4; FR U-1, 4.

Estimated average hours per response: FR G-3, 0.17; FR T-4, 0.17; FR U-1, 0.17.

Estimated annual burden hours: FR G-3, 20; FR T-4, 14; FR U-1, 51.

General Description of Reports: The FR G-3, FR T-4, and FR U-1 purpose statements, which are completed by the borrower and the lender (brokers and dealers, in the case of the FR T-4), consist of three parts. The borrower completes Part I of the reporting form and is required to do the following: state the amount of the loan and whether the purpose of the loan is to purchase, carry, or trade in securities (pursuant to the Board's Regulation T) or purchase or carry margin

stock (pursuant to Regulation U) and, if not, describe the specific purpose of the loan. FR T-4 respondents must also answer a question as to whether the securities serving as collateral will be delivered against payment. The borrower must sign and date the reporting form. The lender completes Part II, which may entail listing and valuing any collateral. The lender then signs and dates Part III of the reporting form, acknowledging that the customer's statement is accepted in good faith. The lender is required to hold the reporting forms for at least three years after the credit is extinguished. The Federal Reserve System does not collect or process this information, but the information required on the form may be reviewed by Federal Reserve examiners to assess compliance with the Securities Exchange Act of 1934 (the Act) and Regulation T.

Legal authorization and confidentiality: These reports are authorized by section 7 of the Act (15 U.S.C. 78g). In addition, the FR T-4 is required by section 220.6 of Regulation T (12 CFR 220.6), the FR U-1 is required by sections 221.3(c)(1)(i) and (2)(i) of Regulation U (12 CFR 221.3(c)(1)(i) and (2)(i)), and the FR G-1, FR G-2, FR G-3, and FR G-4 are required by sections 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii) of Regulation U (12 CFR 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii)).

The FR G-1 and FR G-4 collect financial information, including a balance sheet, from nonbank lenders subject to Regulation U. Some of these lenders may be individuals or nonbank entities that do not make this information publicly available; release could therefore cause substantial harm to the competitive position of the respondent or result in an unwarranted invasion of personal privacy. In those cases, the information could be withheld under exemption 4 or exemption 6 of the Freedom of Information Act (5 U.S.C. sections 552(b)(4) and (6)), respectively. Confidentiality determinations will be made on a case-by-case basis. Because the FR G-3, FR T-4, and FR U-1 are not submitted to the Federal Reserve System and FR G-2 does not contain any information considered to be confidential, no confidentiality determination is necessary for these reports.

Current actions: On January 23, 2018, the Board published a notice in the Federal Register (83 FR 3146) requesting public comment for 60 days on the extension, with revision, of the FR G-1, FR G-2, and FR G-4, as well as the extension, without revision, of the FR G-3, FR T-4, and FR U-1. The Board proposed to revise the instructions for the FR G-1, FR G-2, and FR G-4 to require respondents to submit Portable Document Format (PDF) versions of the reporting forms and attachments to a designated Federal Reserve Board e-mail address. The Board also proposed

to consolidate all six Margin Credit Reports under one OMB control number, 7100-0011, which currently only includes the FR G-1, FR G-2, and FR G-4. The comment period expired on March 26, 2018. The Board did not receive any comments. Accordingly, the revisions will be implemented as proposed; provided that, the effective date of the revisions will be July 1, 2018, rather than April 1, 2018, as proposed.

Board of Governors of the Federal Reserve System, May 11, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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